



# Results analysis: Pacific Assets

PAC strategic review is nearing a resolution.

Update  
07 May 2026

- Pacific Assets (PAC) has released its annual results for the year ending 31/01/2026. Over the period, NAV was flat, with a total return of 0%, whilst the share price total return was 5.1%. This compares to the trust’s benchmark, the MSCI AC Asia ex Japan Index, which increased by 28.6%.
- Whilst there were stock selection positives in the tech sector, through the likes of Korea’s Samsung Electronics and Taiwan’s Delta Electronics, low relative allocations to both the tech sector, and the Korean and Taiwanese markets, were a headwind. Equally, the high allocation to Indian stocks hurt as the market continue to de-rate.
- Despite the near-term challenges, performance over the longer-term remains in line with the benchmark, with a five-year NAV return of 24.7% versus 25% for the benchmark.
- During the year, there was some corporate restructuring at parent company First Sentier, which closed the Stewart Investors business, and transitioned management responsibilities to another affiliate, FSSA Investment Managers, in November 2025. As a result, the board launched a strategic review into the trust’s future, including a number of options for its future, with the outcome expected in the coming weeks.
- The board has received considerable interest from several groups interested in taking on management duties, including the incumbent FSSA team. During the period, the board notes the professionalism of the outgoing Stewart Investors team.
- Due to the ongoing strategic review, the FSSA management team have been limited to a maximum 20% of portfolio turnover, although there have been limited additions made on a bottom-up stock selection basis.
- Due to better share price performance, the discount narrowed in the year from c. 14% and the beginning of the year to c. 10% at year end. There were c. 6.3m shares bought back in the year, equivalent to 5.2% of the opening share count. However, these were paused following the announcement of the strategic review, although this pause has not caused the discount to widen.
- The trust generated revenue of 5.6p per share during the year, leading the board to declare a dividend of 5.7p to be paid in July 2026. This equates to a yield of 1.5% on the closing share price before the announcement of the results.

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- Chairman Andrew Impey focused on the long-term Asia story, noting the “favourable demographics, the continued expansion of the region’s digital economy, and increasing participation in global technology and innovation supply chains”

## Kepler View

Whilst **Pacific Assets (PAC)** has faced its own challenges in the period, wider Asian markets have delivered on their promise in the year under review with a strong rally. The region’s supportive demographics, exciting growth prospects and numerous world leading companies has attracted investor capital, particularly in key sectors such as semiconductors. This is a theme PAC’s manager had identified, as shown by holdings in the likes of TSMC and Samsung Electronics, although limited position sizes in these holdings meant relative returns were impacted. Regardless, the Asian story continues to be well-supported in our view, with many countries offering a blend of good growth characteristics and attractive valuations.



Prior to the broader review, the board had introduced several strategic initiatives in the year to improve the trust's investment case, including a conditional tender offer and reduction in the management fee, something discussed in the **half-year results**. With these remaining in place, we believe the discount risk remains reduced. Evidence supporting this is the consistency of the discount since the pause in share buybacks in December to date, having narrowed notably up until this point.

Furthermore, the outcome of the strategic review could lead to a narrowing of the discount. Markets disliking uncertainty is a well-worn adage, therefore regardless of the outcome, it would at least bring certainty. This could be in the form of a management continuation, a switch to a new team, or even a combination with a peer, each of which offers plausible scenarios in which the trust's rating could narrow. Whatever the outcome, the Asian region still has a vast universe of attractive companies to choose from, which lends itself well to active management. With the board having received numerous proposals, whichever direction the trust's future goes, the long-term potential for the trust to capture alpha going forward is strong.

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